

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

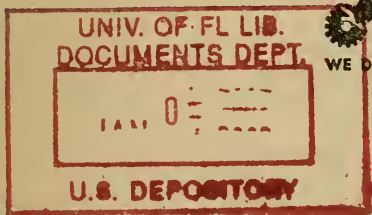
RUBBER MANUFACTURING

INDUSTRY

AS APPROVED ON DECEMBER 15, 1933

BY

PRESIDENT ROOSEVELT



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Approved Code No. 156

CODE OF FAIR COMPETITION
FOR THE
RUBBER MANUFACTURING INDUSTRY

As Approved on December 15, 1933

BY
PRESIDENT ROOSEVELT

Executive Order

An application having been duly made, pursuant to and in full compliance with provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Rubber Manufacturing Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said code of fair competition, together with his recommendations and findings with respect thereto, and the Administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of title I of said act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator and do order that the said code of fair competition be, and it is hereby, approved.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
December 15, 1933.

(69)

DECEMBER 6, 1933.

The PRESIDENT,

The White House.

SIR: The proposed Code of Fair Competition for the Rubber Manufacturing Industry (except tires) was submitted to the Administrator on September 26, 1933, by the Rubber Manufacturers' Association. The Association states it represents approximately 85% of the volume of production and over 50% of the members of the Industry. The hearing was conducted in Washington on October 25, 1933. The Code was revised during the recess of this hearing and is submitted in its present form for approval. Every person who requested an appearance was properly heard in accordance with statutory and regulatory requirements.

This Code consists of a basic code for the Industry together with nine supplementary codes for the following Divisions of the Industry:

Automobile Fabrics, Proofing and Backing Division.

Rubber Flooring Division.

Rubber Footwear Division.

Hard Rubber Division.

Heel and Sole Division.

Mechanical Rubber Goods Division.

Sponge Rubber Division.

Rubber Sundries Division.

Rainwear Division.

BASIC CODE—CHAPTER I

Chapter I of the Code establishes the relationship between the Code Authority, the several Divisional Authorities, and the Rubber Manufacturers' Association, for the administration of the Code. The Chapter includes all mandatory provisions of the Act, together with the maximum hours and minimum wages, applicable to the entire Industry except the Rainwear Division. It further includes the general trade practices which again are applicable to all Divisions.

DIVISIONAL CODES

The supplementary chapters include the definitions of the several Divisions, the composition and basis for the selection of the Divisional Authorities, the trade practices specifically applicable to every Division, and the method by which alterations and amendments may be made to any Divisional Code.

HOURS OF WORK

Under this Code, no employee (with the exceptions below) shall work more than 40 hours in any one week nor more than eight hours in any one day. Each employee may, however, work not more than

80 hours per year in excess of the maximum but in no case more than 48 hours per week. For all hours worked in excess of 40 hours per week, overtime shall be paid at the rate of time and one third.

Maintenance crews, engineers, firemen, electricians, shipping crews, watchmen, and elevator operators shall not work more than 45 hours per week, except in emergencies. All time worked in excess of 45 hours per week in such cases shall be paid for at the rate of time and one third.

Accounting, clerical, office, service, or sales employees (except outside salesmen) receiving \$35.00 per week or less, are limited to an average of 40 hours a week over a period of one month but in no case shall they work more than 48 hours in any one week. Salaried employees receiving more than \$35.00 weekly and outside salesmen are not restricted to any maximum hours.

In the Rainwear Division, factory employees are limited to 40 hours per week and 8 hours per day. All overtime is expressly prohibited. The Divisional Authority is required to report to the Administrator within ninety days after approval of this Code, as to the effect of a 40-hour week on re-employment in that Division.

WAGES

This Code provides for a minimum wage of \$0.35 per hour. In the Rainwear Division, nonmanufacturing employees shall be paid not less than \$0.35 per hour and manufacturing employees (as defined in the Divisional Code) shall be paid not less than \$0.40 per hour. Apprentices may be paid \$0.28 per hour during a six weeks' apprenticeship. Such apprentices are limited to five percent of the total employees in any one establishment.

Minimums for salaried employees range from \$12.00 per week in towns of less than 2,500 population to \$15.00 per week in cities over 500,000. Clerical apprentices, office boys and girls, may be paid not less than 80% of these minimums but may not constitute more than five percent of the total office employees in any one establishment. Provision is made for superannuated and disabled employees; for equalization of rates of pay for men and women performing the same work; for equitable adjustments of pay schedules of factory employees above the minimum, and for the posting of the labor provisions of the Code.

ECONOMIC EFFECT OF CODE

This Code will affect approximately 400 establishments and some 60,000 to 70,000 employees. Due to the inadequacy of governmental or industry data, the exact number cannot be determined. The following estimates of the volume of sales and total number of employees have been compiled by the Division of Research and Planning:

	1929	1932	Percent decrease
Value of products.....	\$430, 500, 000	\$175, 030, 000	59.4
Number employees	80, 550	51, 360	36.2

The Division estimates 73,000 wage earners were employed in the Industry in August 1933 and 79,000 in October 1933. For the latter month this is approximately the average number employed in 1929.

The indexes of the United States Bureau of Labor Statistics indicate that employment and payrolls have increased about 10% from August to October, average hours per week have declined, and average hourly earnings have increased slightly. It is believed the adoption of the maximum hours and minimum wages by all members of the Industry will tend to further increase employment and average hourly earnings.

FINDINGS

The Administrator finds that:

1. This Code complies in all respects with the pertinent phrases of Title I of the Act, including but without limitation, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

2. The Rubber Manufacturers' Association, Incorporated, is truly representative of the Rubber Manufacturing Industry and its by-laws contain no inequitable restrictions on membership.

3. The Code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them. The Code will tend to effectuate the policy of Title I of the National Industrial Recovery Act.

It is therefore recommended that this Code be approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION
FOR THE
RUBBER MANUFACTURING INDUSTRY

CHAPTER I

To effect the policies of Title I of the National Industrial Recovery Act, this Code is submitted as a Code of Fair Competition for the Rubber Manufacturing Industry and, upon approval by the President, its provisions shall be the standards of fair competition for this industry, and shall be binding upon every member thereof.

ARTICLE I

A. DEFINITIONS

SECTION 1. The term "Rubber Manufacturing Industry" or "Industry" as used herein means the manufacture for sale in the continental United States (including Alaska) of any rubber product or products, expressly excluding, however, all solid and pneumatic tires and pneumatic tubes, and tire accessories and/or tire repair materials, together with such other rubber products as may be specifically covered by another duly approved Code of Fair Competition.

SEC. 2. The term "Division of the Industry", as used herein, includes the several branches of the Industry which have been or may hereafter be established, as herein below provided, as administrative units, under the provisions of this Code. The Divisions immediately established and defined in Chapters II to X are:

- Automobile Fabrics, Proofing, and Backing Division
- Rubber Flooring Division
- Rubber Footwear Division
- Hard Rubber Division
- Heel and Sole Division
- Mechanical Rubber Goods Division
- Sponge Rubber Division
- Rubber Sundries Division
- Rainwear Division

SEC. 3. The term "Member of the Industry" includes, but without limitation, any individual, partnership, association, corporation, or other form of enterprise or any subsidiary or affiliate of the same engaged in the Industry, either as an employer or on his or its own behalf.

SEC. 4. The term "Member of the Division" includes any member of the Industry classified in one of the Divisions of the Industry now or hereafter established.

SEC. 5. The term "Member of the Code" includes any Member of the Industry who shall expressly signify assent to this Code.

SEC. 6. The term "employee", as used herein, includes any and all persons engaged in the Industry, however compensated, except a member of the Industry.

SEC. 7. The term "Association", as used herein, means the Rubber Manufacturers Association, Incorporated, a corporation organized under the laws of the State of Connecticut and having its principal office at 250 West 57th Street, New York, New York.

SEC. 8. The term "the President", as used herein, means the President of the United States.

SEC. 9. The term "the Act", as used herein, means Title I of the National Industrial Recovery Act.

SEC. 10. The term "the Administrator", as used herein, means the Administrator appointed under the Act.

SEC. 11. Population for the purposes of this Code shall be determined by reference to the latest Federal Census.

ARTICLE II

A. ADMINISTRATION AND ORGANIZATION

SECTION 1. To further effectuate the policies of the Act a Rubber Code Authority (herein referred to as "the Code Authority") is hereby set up for the administration of this Code.

SEC. 2. The Code Authority shall consist of the Chairmen of the several Divisional Code Authorities herein established. The Administrator, in his discretion, may appoint not more than three additional members (without vote) to represent the Administrator, without expense to the Industry or Association. No two members, or alternates, of the Code Authority shall be affiliated with any single member of the Industry.

(a) In order that the Code Authority shall at all times be truly representative of the industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

(b) The General Manager of the Rubber Manufacturers Association shall act as Chairman of the Code Authority, without vote.

(c) One alternate may be selected from each Division to represent the Chairman of that Division on the Code Authority with full power to vote in the absence of his principal. No alternate shall, however, be affiliated with any member of the Industry already represented on the Code Authority.

(d) Should any matter come before the Code Authority which specifically involves acts, conduct, or the interest of a member of the Industry with which any member of the Code Authority is asso-

ciated, or employed, such member of the Code Authority shall be disqualified to act in such matter. The designated alternate shall act in place of the disqualified member of the Code Authority.

SEC. 3. The Code Authority shall have the duties and powers herein provided subject to the right of the Administrator, on review, to disapprove any action taken by the Code Authority.

(a) The Code Authority shall cooperate with the Administrator in making investigations as to the functioning and observance of any provisions of this Code, and report its findings and recommendations to the Administrator.

(b) The Code Authority may study the trade-practice provisions incorporated in this Code, and the operation thereof, and may make such recommendations as are approved by the Divisions affected, to the Administrator from time to time, which it considers desirable for the modifications or additions thereto. Upon approval by the Administrator, after such hearing as he may prescribe, such recommendations shall become a part of this Code and shall have full force and effect as provisions hereof.

(c) The Code Authority may, at the request of a Divisional Authority, present recommendations to the Administrator, based on conditions in the Industry as they may develop from time to time. Such recommendations shall be designed to facilitate the operation of the provisions of this Code and the policy of the Act.

(d) The Code Authority may require reports from members of the Industry with respect to hours of labor, wages, conditions of employment, number of employees, plant capacity, production, orders, shipments, inventories, and any other matters pertinent to this Code in order that the President may be kept informed with respect to the observance and performance of the Code.

(e) The Code Authority may, at its discretion, set up any or all of the following committees, or any other committees, if their existence will further effectuate the policies of the Act, viz:

- Accounting
- Complaints and Grievances
- Fair Practices
- Industrial Relations
- Statistical

Similar committees may likewise be created within the Divisions of the Industry by any Divisional Code Authority at its discretion.

(f) In addition to the Divisions herein established in Article I, Section 2, the Code Authority may from time to time establish new Divisions of the Industry. Each Division shall have a Divisional Authority, selected by the members of said Division, as provided herein below in Article III.

(g) The Code Authority shall coordinate the administration of this Code throughout the several Divisions of the Industry.

SEC. 4. The Association is hereby designated as the agency for the collection of statistics, data, reports, and information under the Code, provided that no inequitable restrictions upon membership therein shall at any time be imposed.

(a) Every member of the Industry shall prepare and file with the Association, at such times and in such manner and form as the Code

Authority may require, statistics of plant capacity, production, sales, orders received, inventories, wage rates, hours of work, and such other data or information as the Administrator may from time to time require. Such reports and/or records may be either sworn or unsworn as required.

(b) In addition to information required to be submitted to the Code Authority, every member of the Industry shall furnish directly to Governmental agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the National Industrial Recovery Act.

(c) Except as otherwise provided in the Act all such statistics, data, and information filed in accordance with this Article shall be confidential, and the reports and records from any member of the Industry shall only be revealed to the Administrator or other governmental authority to the extent necessary for the administration and enforcement of the provisions of this Code.

(d) If the Association shall have reason to believe that any reports submitted by a member of the Industry are inaccurate, such reports may be verified by a disinterested and impartial agency designated by the Code Authority, and for such purpose, such agency shall have access to any and all relevant books and records of such member.

(e) Any refusal or persistent or deliberate neglect by any member of the Industry to file or furnish information required under this Article shall constitute an unfair trade practice and a violation of this Code.

SEC. 5. Each member of the Code shall be entitled to participate in the activities of the Code Authority and of the proper Divisional Authority or Authorities and of the Association in connection with the administration of the Code. Each member of the Code shall bear an equitable share of the cost of maintenance of the Code Authority and of the proper Divisional Authorities and their activities, either by becoming a member of the Association or by paying to the Association a sum equal to his reasonable share of the expenses incurred in the administration of this Code as determined by the Code Authority subject to review by the Administrator.

ARTICLE III

A. DIVISIONAL CODE AUTHORITY

SECTION 1. Each Division of the Industry shall establish a Divisional Code Authority (or Divisional Authority) to administer this Code within such Division, subject to the right of the Administrator, on review, to disapprove any action taken by any Divisional Authority.

(a) Each Division shall determine the size and character of its Divisional Authority and the basis of representation which shall prevail within that Division, subject to the same provision contained in Article II-A, Section 2-a.

(b) Any person or persons appointed under Article II-A, Section 2, as representatives of the Administrator may likewise represent the Administrator on any Divisional Authority.

(c) No two members or alternates of any Divisional Authority shall be affiliated with any single member of the Industry.

(d) Should any matter come before the Divisional Authority which specifically involves acts, conduct, or the interest of a member of the Industry with which any member of the Divisional Authority is associated or employed, such member of the Divisional Authority shall be disqualified to act in such matter. The designated alternate shall act in place of the disqualified member of the Divisional Authority.

SEC. 2. The Divisional Authority shall have the following duties and powers. Any member of a Division may appeal to the Code Authority from any determination of the Divisional Authority. The Code Authority, on its own motion, may review any decision of any Divisional Authority which directly or indirectly affects more than one Division.

(a) The Divisional Authority shall cooperate with the Code Authority in making investigations as to the functioning and observance of any provisions of this Code, at its own instance or on complaint of any person affected, and report its findings and recommendations to the Code Authority.

(b) The Divisional Authority shall study the trade-practice provisions incorporated in this Code applicable to its own Division, and the operation thereof, and after approval by the Division, shall make such recommendations to the Code Authority, from time to time, which it considers desirable for modification or addition thereto. Such recommendations shall be submitted to the Administrator through the Code Authority accompanied by its own recommendations. Upon approval by the Administrator after such hearing as he may prescribe such recommendations shall become a part of this Code and have full force and effect as provisions hereof.

(c) The Divisional Authority shall receive, and so far as possible, adjust all complaints in regard to the operation of this Code, which involve the members of that Division.

(d) The Divisional Authority shall coordinate the activities of any Divisional Committees designated to facilitate the operation of this Code.

SEC. 3. The Association shall act in the same capacity and perform the same functions for all Divisional Authorities as specified for the Code Authority in Article II-A, Section 4.

ARTICLE IV

A. INDUSTRIAL RELATIONS POLICIES

SECTION 1. In compliance with Section 7 (a) of the Act it is provided:

(a) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing, and

(c) That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

SEC. 2. No person under 16 years of age shall be employed in the Industry. No person under 18 years of age shall be employed on any milling or calendering operations or any other operations where there may be recognized hazards connected with the job or operation.

SEC. 3. No provision in this Code shall supersede any State or Federal law which imposes more stringent requirements on employers as to age of employees, wages, hours of work or as to safety, health, sanitary, or general working conditions, or insurance or fire protection, than are imposed by this Code.

ARTICLE V

A. HOURS

SECTION 1. Except as hereinbelow provided, no employee shall work or be permitted to work in excess of 40 hours in any one week or more than 8 hours in any 24-hour period. Provided that each employee may be permitted to work a total of 80 hours per year in excess of the maximum hours specified above but not more than 48 hours in any one week. For all hours worked in excess of 40 hours per week, overtime shall be paid at the rate of time and one third. It is the intent that the hours worked by employees under this Section shall be consecutive, except that reasonable provision may be made for eating periods.

SEC. 2. Maintenance crews, engineers, firemen, electricians, shipping crews, watchmen, and elevator operators shall not work or be permitted to work more than 45 hours in any one week. Provided, however, that this limitation of hours shall not apply in cases of emergency, but in such cases all hours worked in excess of 45 hours in any one week shall be paid for at the rate of time and one third.

SEC. 3. Accounting, clerical, office, service or sales employees (excepting outside salesmen) shall not work or be permitted to work in excess of an average of 40 hours a week over the period of a month, nor more than 48 hours in any one week.

SEC. 4. The maximum hours fixed in Sections 1, 2, and 3 shall not apply to salaried employees in any managerial, executive, clerical, supervisory, or technical capacity receiving more than \$35.00 per week, nor to any outside salesmen.

SEC. 5. No employee shall work or be permitted to work for a total number of hours in excess of the number of hours prescribed for each week and day, whether employed by one or more employers; provided, however, that if any employee works for more than one employer for a total number of hours in excess of such maximum without the knowledge or connivance of any one of his employers, such employer shall not be deemed to have violated this Section.

SEC. 6. No employee shall be classified in any of the foregoing excepted classes unless he performs functions identical with those performed by employees thus classified on June 16, 1933.

B. WAGES

SECTION 1. Except as herein below provided no employee shall be paid in any pay period less than at the rate of thirty-five cents (\$0.35) per hour. Apprentices, during a six weeks' apprenticeship, may be paid not less than twenty-eight cents (\$0.28) per hour. Such apprentices shall be understood as persons having no previous experience or employment on similar work in the Industry and shall not constitute more than five (5) percent of the employees covered by this Section in the employ of any member of the Industry. Provided, however, that if any member of the Industry finds such restriction to five percent too stringent, such member may appeal to the Administrator, who may grant an exception.

SEC. 2. No salaried employee (except outside salesmen, office girls and boys, and clerical apprentices) shall be paid less than at the rate of—

\$15.00 per week—Cities over 500,000 population or in the immediate trade area of such a city.

\$14.50 per week—Cities between 250,000 and 500,000 population or in the immediate trade area of such city.

\$14.00 per week—Cities between 2,500 and under 250,000 population or in the immediate trade area of such a city.

\$12.00 per week—Towns of less than 2,500 population.

(a) Clerical apprentices during a six months' apprenticeship and office girls and boys may be paid not less than 80% of the above minimums. Such excepted office employees shall not exceed five (5) percent of the total number of employees covered by Section 2 in the employ of any member of the Industry. Provided, however, that if any member of the Industry finds such restriction of five percent too stringent, such member may appeal to the Administrator, who may grant an exception.

SEC. 3. The provisions in Article V-B shall not apply to any employee of ten years' service partially incapacitated through age or to any employee partially incapacitated through injury, or disease; provided, however, that such employee shall receive not less than twenty-five cents (\$0.25) per hour. Each member of the Industry shall report to the Association monthly the number and names of employees so classified.

SEC. 4. Female employees performing the same work as male employees in manufacturing operations shall receive the same rates of pay as male employees.

SEC. 5. Article V-B establishes minimum rates of pay which shall apply whether an employee is actually compensated on a time rate, piecework, or other basis.

SEC. 6. Equitable adjustments in all pay schedules of factory employees above the minimum shall be made within thirty (30) days after the approval of this Code, by any members of the Industry

who have not heretofore made such adjustments and the first monthly reports of wages required to be filed under this Code, shall contain all wage increases made since May 1, 1933.

C. POSTING OF LABOR PROVISIONS

SECTION 1. Every member of the Industry shall post in conspicuous places in all departments of his establishment or establishments copies of Articles IV and V of Chapter I of this Code.

ARTICLE VI

A. COMPLAINTS AND APPEAL

SECTION 1. Any interested party shall have the right of complaint to any Divisional Authority, and prompt hearing and decision thereon in respect to any matter arising under this Code. Such complaint must be filed in writing with the Divisional Authority within a reasonable period of time after the complaint arises. Any interested party shall have the right of appeal to the Code Authority from any such decision, under such procedure as it shall prescribe.

SEC. 2. Any interested party shall have the right of complaint to the Code Authority and prompt hearing and decision thereon, under such procedure as it shall prescribe, in respect to any rule, regulation, order, or finding made by the Code Authority.

SEC. 3. Any interested party shall have the right of appeal to the Administrator under such procedure as he shall prescribe in respect to any decision, rule, regulation, order, finding, or omission to act by the Code Authority or any Divisional Authority.

ARTICLE VII

A. COSTS AND PRICES

SECTION 1. Each member of the Industry shall substantially adopt and adhere to the methods of cost determination and the cost accounting formulae adopted by each Division, and advocated in the Association Accounting Manual and revisions thereof adopted by the Association from time to time, subject to the approval of the Administrator.

SEC. 2. No member of the Industry shall initiate the sale and/or exchange of any product of its manufacture at a price or upon such terms or conditions as will result in the customer paying for the goods received less than the seller's own individual cost, determined as in Section 1, subject to any qualifications in the several Divisional Codes. Where the term "representative member" is used in any Divisional Code in connection with any such qualifications, it shall be deemed to exclude any member of the Industry whose actual capital costs are unduly low due to the acquisition of plant at less than fair appraisal value, or to other exceptional circumstances out of the course of normal business; but this shall not be construed as applying to any legitimate advantages due to location, material costs, or manufacturing methods. Provided, that seconds and obsolete goods may be marketed on such terms and conditions as the Divisional Authorities may approve.

ARTICLE VIII

A. MONOPOLIES

SECTION 1. No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE IX

A. EXPORTS

SECTION 1. Subject to such qualifications as may be contained in the several Divisional Codes, the provisions of this Code now or hereafter adopted with regard to prices, discounts, deductions, allowances, extras, commissions, or methods and/or terms of sale shall not apply to direct export sales. Upon application to the Code Authority, any member of this Industry may secure exemption from such provisions of this Code in regard to sales in the course of export (i.e., sales destined ultimately for export) or sales of materials used in the manufacture of products for export. The term "export" shall include, in addition to shipments to foreign countries, shipments to territories and possessions of the United States, except Alaska.

ARTICLE X

A. IMPORTS

SECTION 1. Any Division of the Industry may set up a Committee on Imports whose duty it shall be to investigate and inform the President as to the importation of competitive articles into the United States in substantial quantities or increasing ratio to domestic production, on such terms or under such conditions as to render ineffective, or to seriously endanger the maintenance of this Code as provided in Section 3 (e) of the Act. The Committee shall make such reports of its findings to the Divisional Authority which shall inform the President through the proper channels.

ARTICLE XI

A. TRADE PRACTICES

The following trade practices shall apply to all members of the Industry in addition to such trade practices as may be specifically set forth in the several Divisional Codes.

SECTION 1. No member of the Industry shall use advertising (whether printed, radio, display or of any other nature) or other representation which is inaccurate in any material particular or which refers inaccurately to competitors or their commodities, prices, values, credit terms, policies or services. No member shall, in any way, misrepresent any commodity (including its use, trade mark, grade, quality, quantity, origin, size, specifications) or his credit

terms, values, policies, services or the nature or form of the business conducted.

SEC. 2. No member of the Industry shall use advertising or selling methods or credit terms which tend to deceive or mislead a customer or prospective customer.

SEC. 3. No member of the Industry shall publish or circularize unjustified or unwarranted threats of legal proceedings which tend to or have the effect of harassing competitors or intimidating their customers.

SEC. 4. No member of the Industry shall secretly offer or secretly make any payment or allowance of a rebate, refund, commission, credit, unearned discount, or excess allowance, whether in the form of money or otherwise, for the purpose of influencing a sale; nor shall a member secretly extend to any customer any special service or privilege not extended to all such member's customers of the same class.

SEC. 5. No member of the Industry shall give, permit to be given, or offer to give anything of value for the purpose of influencing or rewarding the action of any employee or agent of another, in relation to the business of the employer of such employee, or the principal of such agent without the knowledge of such employer or principal.

SEC. 6. No member of the Industry shall, directly or indirectly, give or permit to be given or offer to give, money or anything of value to any customer or prospective customer, or to anyone else, upon the instigation and for the benefit of any customer or prospective customer, to induce such customer or prospective customer to purchase any products of the Industry from such members.

SEC. 7. No member of the Industry shall secure confidential information concerning the business of a competitor by a false or misleading statement or representation, by a false impersonation of one in authority, by bribery, or by any other unfair method.

SEC. 8. No member of the Industry shall attempt to induce the breach of an existing contract between a competitor and his employee or customer or source of supply; nor shall any such member interfere with or obstruct the performance of such contractual duties or services.

SEC. 9. No member of the Industry shall brand or mark or pack any commodity in any manner which tends to deceive or mislead purchasers with respect to the brand, grade, quality, quantity, origin, size, or specification of such commodity.

SEC. 10. No member of the Industry shall withhold from or insert into any invoice any statement which would make the invoice a false record, wholly or in part, of the transaction to which it refers, or make any arrangement which contemplates payment or settlement contrary to the face of the invoice.

SEC. 11. No member of the Industry shall imitate the trade mark of a competing member.

ARTICLE XII

A. REVISIONS AND MODIFICATIONS

SECTION 1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the

provisions of subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

SEC. 2. Such of the provisions of this Code as are not required by the Act to be included herein may, with the approval of the President, be modified or eliminated as changed circumstances or experiences may indicate. It is intended that this Code shall be a basic code for the Industry and that additions to this Code applicable to all members of the Industry, or affecting or pertaining to one or more Divisions of the Industry, may be submitted to the President for approval, as herein provided.

SEC. 3. By presenting this Code members of the Industry who have assented hereto shall not be deemed to have consented to any modification thereof, except as each shall thereto subsequently agree.

SEC. 4. If any member of the Industry is likewise engaged in part in any other industry or trade, this Code shall apply only to such of the activities of said member as are comprehended within the Rubber Manufacturing Industry.

ARTICLE XIII

A. EFFECTIVE DATE AND TERMINATION

SECTION 1. This Code shall become effective on the second Monday after it shall have been approved by the President of the United States. It shall continue in effect until June 16, 1935, or until such time prior thereto when the President shall, by proclamation, or the Congress shall by joint resolution, declare that the emergency recognized by Section 1 of the Act has ended.

CHAPTER II

AUTOMOBILE FABRICS, PROOFING, AND BACKING DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Automobile Fabrics, Proofing, and Backing Division shall consist of all members of the Industry engaged in the manufacture for sale of the products of the Division as further defined herein, except as may be specifically covered by another duly approved Code of Fair Competition.

(a) The term "Automobile Fabrics" as used herein includes all rubberized fabrics which are generally used for automobile top coverings and/or side curtains and/or accessories.

(b) The terms "Proofing" and "Backing" as used herein include all materials which have been coated, backed, impregnated, and/or combined with rubber in any form, or gutta percha, such materials being in sheets or continuous rolls. The term shall likewise include materials which have been coated, backed, or combined with paste or glue by members of the Industry engaged principally in proofing and backing materials with rubber and gutta-percha. This definition includes, but without limitation, leatherette, flocked suede, trench, jersey, and other garment fabrics, hospital sheeting, shower-bath curtain materials, quarter lining and other shoe fabrics, corset fabric, weather stripping, sanitary specialties fabrics, cover cloths, novelty, luggage, and upholstery fabrics.

ARTICLE II

A. ADMINISTRATION

SECTION 1. An Automobile Fabrics, Proofing, and Backing Divisional Code Authority consisting of five persons (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A.

SEC. 2. The Divisional Authority shall consist of two representatives from the Automobile Fabrics Subdivision, two from the Proofing Subdivision and one from the Backing Subdivision. Such representatives shall be elected by vote of a majority of the Divisional Code members in number and volume in the respective Subdivisions.

ARTICLE III

A. COSTS

SECTION 1. Notwithstanding the provisions of Chapter I, Article VII-A, Section 2, the following shall be the provisions as to the Cost Recovery formula for this Division:

(a) At the request of the Divisional Authority each member of the Division shall compute his own individual cost pursuant to the system of cost accounting provided in Article VII-A, of Chapter I and report such cost to the Association. The Divisional Authority shall then ascertain the cost of the most efficient member of the Division, i.e., that representative member of the Division whose cost is lowest. The Divisional Authority shall thereupon publish such cost to the members of the Division. Thereafter no member of the Division shall sell any product of the Division at a price lower than such cost. Such cost determination shall be revised from time to time at reasonable intervals. If the operation of this paragraph should work unjust hardship upon any member of the Division, such member may appeal to the Divisional Authority which shall have power to grant such relief as justice may require.

SEC. 2. Within ten days after the date of approval of this Code each member of the Division engaged in the manufacture of automobile fabrics shall publish and file with the Association a schedule of its prices and terms of sale to the jobbing and replacement trade. All such price schedules shall be open to inspection in the office of the Association. The Association shall furnish copies of such schedules to any member of the Division who makes application therefor.

SEC. 3. No member of the Division engaged in the manufacture of automobile fabrics shall sell such products at prices lower or on terms more favorable than the prices and terms in his price schedules and price lists filed pursuant to Section 2 of this Article, unless he has first filed revised schedules and lists to take effect in not less than five days from date of filing. The Association shall, promptly after receipt of such revised schedules and lists, notify all members affected. Such affected members may thereupon file with the Association, revisions of their price lists which, if filed prior to the date when the revised price lists first filed shall go into effect, may become effective on said date.

ARTICLE IV

A. TRADE PRACTICES

SECTION 1. No member of the Division shall consign any merchandise, except patented products.

SEC. 2. Secret rebates, secret discounts, or secret bonuses shall not be given or extended to any person. No form of commercial bribery shall be practiced.

SEC. 3. Money, goods, premiums, or a reduction in price of products of the Division shall not be given to a purchaser for the purchaser's or his customers' advertising purposes.

SEC. 4. No member of the Division shall depart from the following standard terms of sale:

(a) *Automobile Fabrics*.—(1) 2% cash discount, 15th proximo, net 25th proximo, except that terms for goods billed and shipped to customers in the States of California, Oregon, and Washington from points east of the Mississippi River shall be 2%, 15th proximo, net 25th proximo, 30 days extra.

(2) No prepayment or allowance of freight shall be made, except on shipments of 100 pounds and over.

(3) There shall be no post-dating, except that shipments made on or after the 25th day of the month may be billed as of the first of the following month.

(4) No material sold shall be invoiced to any other than the customer who placed the order.

(b) *Proofing*.—(1) 2%, 30 days, net 35th day. Interest at the legal rate shall be charged after the 35th day. There shall be no post-dating.

(c) *Backing*.—(1) 2%, 15th proximo, net 30th proximo.

(2) No prepayment or allowance of freight shall be made except on shipments of 100 pounds and over.

(3) Bona fide jobbers and/or distributors may be extended terms of 7%, 15th proximo, net 30th proximo.

(4) There shall be no post-dating, except that shipments made on or after the 25th day of the month may be billed as of the first of the following month.

SEC. 5. After January 1, 1934, no member of the Division shall coat or combine customer's auto-topping fabrics to be used in the jobbing or replacement trades, whether domestic or export, or buy or take title to any material with the intent of evading this provision. Should this provision work an unjust hardship on any member of the Division or on any customer, such member or customer may appeal to the Administrator who shall have power to grant such exemption or stay as justice may require.

SEC. 6. No member of the Division shall make blanket commitments for the sale of any products of the Division.

SEC. 7. Every member of the Division shall conform to the standard specifications and inspection rules adopted by the Division from time to time for auto-topping fabrics, subject to the approval of the Administrator. Should this provision work an unjust hardship on any member of the Division, such member may appeal to the Divisional Authority which shall have power to grant such relief as justice may require.

SEC. 8. No member of the Division shall extend any guaranty or warranty in connection with any auto-topping fabrics other than the Standard Guaranty of the Association, reading as follows:

“Guaranty on Double Texture Rubber Surface Coated Top Material

“The material covered by this contract is guaranteed for a period of one year from date of shipment from supplier's mill against leaking due to deterioration of coating, provided the coating has not been injured by other materials used in conjunction with it, such as fillers used in closing the cracks or joints of the frame over which the top material is stretched, or from the use of top dressings or cleaning materials containing ingredients injurious to rubber. Neither will

the guaranty apply to leaks due to improperly attaching the material or to seams.

"In the event of establishment of claim, we will replace the material without charge and allow approved labor cost of applying it to the top.

"This guaranty does not apply to single-texture goods."

SEC. 9. All contracts or orders hereinafter made shall contain a statement that prices on all orders shall include Federal or State taxes payable by members of the Division and all other increased costs incurred as a direct result of the operation of the Act. Contracts shall provide that prices shall be subject to increase without notice, by such amount as may be necessary to compensate a member for the increased cost incurred as a direct result of any State or Federal legislation enacted after the date of acceptance of any order and before shipment thereof is made.

SEC. 10. No member of the Division shall either post-date or pre-date invoices for his product for the purpose of achieving an unfair competitive advantage.

SEC. 11. Violation of any of the provisions of this Code shall be construed an unfair trade practice and shall be subject to the penalties of the Act.

ARTICLE V

A. ALTERATIONS OR AMENDMENTS

SECTION 1. Any addition, alteration, or amendment of this Code which has had the approval of the majority of the Divisional Code members in number and in volume shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

CHAPTER III

RUBBER FLOORING DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Rubber Flooring Division shall consist of all members of the Industry engaged in the manufacture for sale or wholesale sale by manufacturers, or any subsidiary or affiliate of the same, of rubber tile flooring, sheet rubber flooring, wainscoting, interlocking tile, and other flooring accessories of which the chief component part is rubber, exclusive of mats and matting.

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Rubber Flooring Divisional Authority consisting of three persons (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A. Such Divisional Authority shall be elected by vote of a majority of the Divisional Code members in number and in volume.

ARTICLE III

A. MARKETING STANDARDS

SECTION 1. To assist in providing uniform trade practices and preventing discrimination and unfair competition, the following group customer classifications, based upon differences in costs and services rendered, are hereby established. All members of the Division shall file with the Association the names and addresses of all distributors, sales agents, and special-brand accounts as herein defined. If such definitions shall by virtue of their application in this Chapter work hardship on any member of the Division or any customer, such member or customer may appeal to the Divisional Authority, which shall have power to reclassify such customer as justice requires.

(a) *Dealer*.—A dealer shall be an account actively engaged in the sale to and installation for the ultimate consumer, of any products of the Division whether standard or special brand.

(b) *Preferred Dealer*.—A preferred dealer shall be an account carrying an adequate stock of sheet-rubber flooring materials and actively engaged in their sale to the ultimate consumer, with or without installation.

(c) *Distributor*.—A distributor shall be an account carrying an adequate stock of sheet-rubber flooring materials and actively engaged in their sale to any or all classes of accounts, with or without installation.

(d) *Original equipment customer*.—An original equipment customer shall be an account which buys rubber flooring materials for use in the manufacture by it of products sold by it, such as elevators, railroad cars, steamships, busses, furniture and fixtures or for use in connection with the sale or installation of such products.

(e) *Sales agent*.—A sales agent shall be an account engaged, directly or indirectly, in the sale, without installation, of rubber flooring materials, to any or all classes of accounts.

(f) *Special brand account*.—A special brand account shall be an account actively engaged, directly or indirectly, in the sale, without installation, of special brand rubber flooring materials to any or all classes of accounts.

(g) *Ultimate consumer*.

SEC. 2. Inasmuch as approximately 75 percent of sales of products of the Division to dealers is made direct by manufacturers, it is necessary to supplement marketing standards and trade practices by provisions designed to prevent indirect evasion of such standards and practices by members of the Division by sales to or through distributors, sales agents, or special brand accounts. Accordingly, it is provided that no member of the Division shall sell any product of the Division to or through any distributor, sales agent, or special brand account who is not complying with the provisions of Articles IV, V, and VI of this Chapter.

ARTICLE IV

A. SELLING SCHEDULES

SECTION 1. Every member of the Division shall file with the Association, within ten days after the approval of this Code, a complete schedule of his prices and terms of sale to dealers, preferred dealers, distributors, original equipment accounts, and ultimate consumers, as classified in Article III-A, Section 1, for immediate distribution to all other members.

SEC. 2. No member of the Division shall sell any product at prices lower or on terms more favorable than the prices and terms in his price schedules and price lists filed pursuant to Section 1 of this Article, unless he has first filed revised schedules and lists to take effect in not less than fifteen (15) days from date of filing and has supplied by registered mail sufficient copies of such revised price schedules and lists to permit distribution thereof to all members of the Division. Immediately upon receipt of such revised price schedules and lists the Association shall mail a copy thereof to each member of the Division. Any member of the Division may then file revised price schedules and lists which, if filed prior to the date when the revised price schedules and lists first filed shall go into effect, may become effective on said date.

SEC. 3. Many members of the Division, either directly or through a branch, subsidiary, or affiliate, sell products of the Division to the

ultimate consumer and install the same. To maintain stability, it is necessary to prevent the operation of such selling with installation at a loss and the absorption of such loss by profits obtained in other phases of such members' businesses. Accordingly, it is hereby provided that this phase of each member's business shall be segregated for costing purposes and, as thus segregated, shall be conducted in compliance with Article VII of Chapter I of this Code.

ARTICLE V

A. TRADE PRACTICES

The following trade practices shall apply to the sale to any class of customer as set forth in Article III-A of this Chapter.

SECTION 1. No member of the Division shall allow a shipment or sale of any goods which are in any way of a better or poorer quality, weight, or gauge or appearance than is represented.

SEC. 2. No member of the Division shall sell or offer for sale any product of the Division which has been or should be properly classified as "seconds", except to employees for their own personal use and not for resale purposes. No member shall sell or offer for sale any obsolete and/or discontinued design and/or colors and/or remnants, at special prices without first:

(a) Notifying the Divisional Authority two weeks in advance of the quantity and other pertinent specifications of such products to be so disposed of, with the reasons therefor.

(b) Stating discount below the regular established price at which they are to be sold.

(c) Obtaining the approval of the Divisional Authority for such disposal. If the Divisional Authority denies approval or fails to notify such member of its decision within ten (10) days, such member may appeal to the Administrator who shall have power to grant approval. The Divisional Authority shall advise all members of the Division simultaneously of such authorizations.

SEC. 3. No member of the Division shall give or extend secret rebates, secret discounts, or secret bonuses to any person or customer.

SEC. 4. No member of the Division shall withhold from or insert into any invoice any statement which would make the invoice a false record, wholly or in part, of the transaction to which it refers, or make any arrangement which contemplates payment or settlement contrary to the face of the invoice.

SEC. 5. No member of the Division shall discriminate between customers by selling or shipping goods to any customer upon terms more favorable than to any such member's other customers of the same class. No member shall store goods in any establishment in which a customer has any interest nor shall warehouse premises be hired by any member from his customers, except where the customer may have, or own, an interest in a public warehouse in which a customer's place of business is not located.

SEC. 6. No member of the Division shall guarantee or promise any dealer, preferred dealer, distributor, original equipment customer, sales agent, or special-brand account any specific volume of

sales or the assistance of any one or more salesmen of such member for any definite period, as an inducement for obtaining the account of such customer or customers.

SEC. 7. No member of the Division shall ship or in any way deliver free goods of any kind, to any person as an inducement in connection with any sale.

SEC. 8. No member of the Division shall engage in untruthful, misleading advertising, or advertising disparaging of a competitor or tending to disparage a competitor or his products.

SEC. 9. No member of the Division shall subnormally price any other products manufactured or sold by him, but not included in his rubber flooring price list, for the purpose of influencing the sale of rubber flooring materials.

SEC. 10. If, as, and when any prospective purchaser demands a performance bond of a member of the Division, each member shall give only such bond as shall conform with the terms of the standard guaranty of the Association, reading as follows:

"We guarantee our product against defects provided our recommended cleaning instructions are followed and we will repair or replace any such defective product which is brought to our attention, in writing, within one year after date of completion of installation.

"We do not accept responsibility for any damages arising from defects or dampness in subfloors or other surfaces which may occur after completion of installation."

SEC. 11. Violation of any schedule filed with the Association as provided for in this Code, or the violation of any of the provisions of this Code shall be considered an unfair trade practice and shall be subject to the penalties of the Act.

ARTICLE VI

A. CONTRACTS WITH DEALERS

SECTION 1. Each member of the Division may offer to any dealer a contract in such form and subject to such terms and conditions as may be prescribed by the President or the Administrator, under the terms of which contract such dealer shall agree to conform to the following practices:

(a) To promptly furnish, on formal request of the Divisional Authority, a properly executed bid form, which shall be a true and precise record of any final bid, proposal, or quotation.

(b) To segregate the quantities, sizes, and prices charged on each and all items involving materials other than rubber flooring, so that rubber flooring shall be shown separate from all other materials.

(c) To furnish no performance bond not in conformity with the terms of the standard guaranty of the Association set forth in Article V-A, Section 10 herein.

(d) To specify name or brand of rubber flooring in all bids, proposals, or quotations.

(e) To refrain from subnormally pricing any other products sold by him, for the purpose of influencing the sale of rubber flooring.

(f) To make all bids, proposals, or quotations in accordance with plans or specifications and on all open bidding to base all bids, proposals or quotations on computations furnished by an estimating bureau approved by the Divisional Authority.

(g) To refrain from the giving of secret rebates or the practice of commercial bribery in any form.

(h) To refrain from accepting an order from any customer on a blanket order basis which calls for areas and/or quantities not definitely specified or delivery date not specified.

(i) To refrain from accepting additional orders on a contract at the original price unless such orders are placed before the original contract is completed and unless there has been no change in the dealer's scheduled installed price.

ARTICLE VII

A. ALTERATIONS AND AMENDMENTS

SECTION 1. Any addition, alteration or amendment of this Code may be proposed by any member of the Division, and after receiving the approval of a majority in volume and in number of the Divisional Code members, it shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

CHAPTER IV

RUBBER FOOTWEAR DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Rubber Footwear Division shall consist of all members of the Industry engaged in the manufacture for sale or wholesale sale by manufacturers, or any subsidiary or affiliate of the same, of all types of so-called "Waterproof and Canvas Rubber-Soled Footwear."

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Rubber Footwear Divisional Code Authority consisting of three persons (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A. Such representatives shall be elected by a majority vote of the Divisional Code members.

SEC. 2. The Divisional Authority shall set up the following committees to further effectuate this Code, whose duties and responsibilities are hereinafter prescribed:

(a) A Marketing Committee consisting of three members.

(b) A Specification Committee consisting of three members.

(c) A Committee on Imports, consisting of three members, whose duty it shall be to investigate and inform the President as to the importation of competitive articles into the United States in substantial quantities or increasing ratio to domestic production on such terms or under such conditions as to render ineffective or to seriously endanger the maintenance of this Code as provided in Section 3 (e) of the Act. The Committee shall make such reports of its findings to the Divisional Authority, which shall inform the President through the proper channels.

(d) Such additional committees as the Divisional Authority from time to time may deem desirable, in accordance with Chapter I, Article II-A, Section 3-e.

ARTICLE III

A. COST RECOVERY

SECTION 1. The Specification Committee shall from time to time present for adoption, with reasonable tolerances, by the Division,

definitions of standard products under the title "Standard Product Specifications", which definitions when adopted shall be filed with the Association.

SEC. 2. At the request of the Divisional Authority, each member of the Division shall compute his own individual cost for all products defined in Article III-A, Section 1 of this Chapter, pursuant to the system of cost accounting provided in Article VII-A of Chapter I and report such cost to an impartial agency selected by the Divisional Authority. Such impartial agency shall then ascertain the cost of the most efficient member of the Division, i.e., that representative member whose cost is lowest. The Divisional Authority shall thereupon publish the cost of the most efficient member to all members of the Division. Thereafter no member of the Division shall sell any product of the Division at a price lower than such cost, other than factory damaged or obsolete merchandise to be disposed of under Article IV-A, Section 1, of this Chapter.

SEC. 3. Any member of the Division may make footwear of higher quality than any defined in the specifications adopted in Section 1 and in that event shall sell such footwear at a proportionately higher price than his filed list, which shall truly reflect the increased cost of such footwear. The prices, discounts and terms of sale of such footwear of higher quality shall be filed with the Association from time to time promptly upon such issuance.

SEC. 4. No member of the Division shall make footwear of lower quality than the lowest defined in the "Standard Product Specifications"; provided, however, that if this section works an unjust hardship on any member of the Division, such member may appeal to the Divisional Authority for an exemption.

ARTICLE IV

A. MARKETING STANDARDS

SECTION 1. The Marketing Committee shall recommend for adoption by the Division, methods of properly identifying and disposing of factory damaged and obsolete goods, in order that the marketing of such goods may be carried out in an orderly and fair manner.

SEC. 2. To assist in providing uniform trade practices and preventing discrimination and unfair competition, group customer classification definitions, based upon differences in costs and services rendered, shall be adopted by the Division, subject to the approval of the Administrator, for the following classifications under the title of "Definitions of Buyers of Footwear", and such definitions shall be filed from time to time with the Association:

(a) Classification of Buyers of Footwear:

- Jobbers
- Mail-Order Houses
- Chain Stores
- Department Stores
- Cooperative Buying Associations
- Group Buyers
- Industrials:
 - Contractors
 - Commissaries
 - Abattoirs, etc.
- Government:
 - Federal
 - State
 - County
 - Municipal
- Retailer
- Agencies:
 - Syndicates
 - Resident buyers
- Consumers

(b) If the definitions adopted should, by virtue of their application, pursuant to this Chapter, work a hardship on any member of the Division or customer, such member or customer may apply to the Divisional Authority, which shall have power to reclassify such member or customer as justice may require.

ARTICLE V

A. PUBLICITY OF PRICES AND TERMS OF SALE

SECTION 1. Within ten days after the approval of this Code, every member of the Division shall file with the Association a complete schedule of his present unit prices, discounts, and terms of sale for all products defined in Article III-A, Section 1, herein, and to all classifications of Buyers defined in Article IV-A, Section 2 herein. Thereafter, annually each member shall file with the Association not less than ten days prior to the opening of the Waterproof "advance order" season on February first and the opening of the Canvas Goods "advance order" season on September first, a complete schedule of his new unit prices, discounts, and terms of sale for such products, to such classifications of Buyers to become effective on such dates. No member shall sell any products of the Division at prices lower or on terms more favorable than the prices and terms in his price lists and schedules on file with the Association. Any member may file new schedules to meet competition within thirty days after the opening of the aforesaid "advance order" seasons, which new schedules may take effect not less than ten days from the date of filing. The Association shall, promptly after receipt of such revised lists and terms, notify all members affected. Such affected members may thereupon file with the Association revisions of their schedules which, if filed prior to the date when the revised schedules first filed shall go into effect, may become effective on said

date. Thereafter, any changes in schedules must be supported by adequate cost data to warrant such changes, which data shall be submitted to the Divisional Authority. Whereupon, any member may file with the Association further revised schedules not less than ten days in advance of the effective date, in accordance with the procedure herein established.

SEC. 2. No order shall be taken which guarantees prices beyond the expiration of the "consumer" season for the class of goods specified. Provided further, that, whenever a member of the Division files new prices during the "consumer" season, all shipments made by such member after the effective date of such change of price shall be at the new prices, except that orders on hand, shipment of which can be completed within 30 days after the effective date of such price change, may be filled at old prices provided that such 30-day period does not extend beyond the expiration of such "consumer" season. Whenever a member files new prices during the "advance order" season, all shipments after the effective date of such price changes, must be at new prices, except orders on hand, shipment of which can be completed within 30 days after the expiration of said "advance order" season.

(a) For purposes of interpretation of this section the "advance order" and "consumer" seasons shall be as follows:

"Advance order", Waterproof—February 1 to September 1. Canvas—September 1 to March 1.

"Consumer", Waterproof—September 1 to February 1. Canvas—March 1 to September 1.

ARTICLE VI

A. TRADE PRACTICES

SECTION. 1. No member of the Division shall ship any merchandise under any conditions, on consignment to any classification of account.

SEC. 2. No member of the Division shall sell or offer for sale any Firsts as Seconds, or obsolete merchandise except in accordance with Article IV-A, Section 1.

SEC. 3. No member of the Division shall accept any order other than a detailed order with specified shipping date, prices, terms, and discounts.

SEC. 4. No member of the Division shall offer or give so-called premiums with his merchandise.

SEC. 5. Violation of any schedule filed with the Association as provided in this Code, or the violation of any of the provisions of this Code, shall be considered an unfair trade practice, and subject to the penalties of the Act.

ARTICLE VII

A. SALES THROUGH JOBBERS OR AGENTS

SECTION 1. In view of the fact that more than 75 percent of the total volume of sales of products of the Division to retailers consists

of sales direct by members of the Division, the restriction of such members to marketing standards and trade practices will be unavailing unless supplemented by provisions designed to prevent indirect evasion thereof through sales by jobbers or agents. Accordingly, it is hereby provided that no member of the Division shall sell products of the Division to or through any jobber or agent who is not complying with the provisions of Articles IV, V, and VI (except Section 4) of this Chapter.

ARTICLE VIII

A. INDUSTRY CAPACITY

SECTION 1. The Divisional Authority may proceed with a survey of the productive capacity of the Division and submit recommendations to the Administrator concerning the desirability of limiting the expansion of the productive capacity of the Industry.

ARTICLE IX

A. ALTERATIONS AND AMENDMENTS

SECTION 1. After due notice to all members of the Division, the Divisional Authority may, at the request of a majority of the Divisional Code members and shall, at the request of 75 percent in numbers representing 50 percent in volume of the Divisional Code members, submit to the Administrator for approval any recommended additions, alterations, or amendments to this Code in accordance with Chapter I, Article III-A, Section 2.

CHAPTER V

HARD RUBBER DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Hard Rubber Division shall consist of all members of the Industry engaged in the manufacture for sale of any type of hard rubber products.

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Hard Rubber Divisional Code Authority consisting of five persons (herein referred to as the Divisional Authority) is hereby set up for the Administration of this Code in accordance with Chapter I, Article III-A. Such representatives shall be elected by concurrent vote of a majority of the Divisional Code members in number and volume of hard rubber products.

ARTICLE III

A. COSTS

SECTION 1. In the application of Article VII of Chapter I to this Division, the cost accounting formulæ shall take due account of costs and expenses for equipment, including special molds, jigs, tools, etc., and installation costs of same and related costs of handling.

ARTICLE IV

A. MARKETING STANDARDS

SECTION 1. No guaranty or warranty shall be made in connection with any product sold other than the standard guaranty of the Association, which is:

“This merchandise is warranted to be free from defects of workmanship and material. The seller’s liability hereunder is limited to the purchase price of merchandise which has failed through defect or, at the seller’s option, to the replacing of such merchandise upon its return by the buyer with other merchandise of the quality warranted and with due allowance made for the service rendered by the merchandise returned.”

ARTICLE V

A. SELLING SCHEDULES

SECTION 1. Products of the Hard Rubber Division shall be divided into standard lines and special items.

A standard line shall be a line of products repeatedly made by more than one manufacturer for which general specifications may be drawn, and which, on account of similarity of the articles contained therein, may be priced on a substantially uniform basis according to size, weight, or per individual article. Standard lines may be furnished in accordance with customers' special designs and brands, but if such articles require special molds or parts to conform to customers' special designs or brands, such customers shall be charged for said special molds or parts of molds in accordance with Article III-A, Section 1. Special items shall comprise all articles not contained in any of the standard lines or directly comparable to any of the standard lines.

SEC. 2. All members of the Division shall submit to the Divisional Authority a list of product classes manufactured by them which they believe should be classed as standard lines in accordance with the definition given above. The Divisional Authority shall make up from the lists submitted a schedule of the products to be classified as standard lines. Copies of schedules and specifications shall be sent to each member of the Division. Within ten days after receipt of such schedules and specifications each member of the Division shall file with the Association his price lists covering the standard line, lines, or part thereof that he manufactures. Such price lists shall follow the specifications, form, and arrangement established by the Divisional Authority and shall show all discounts allowed, together with mold policy.

(a) No member shall sell any standard-line product at a price lower or at discounts greater or on terms more favorable than those stated in his current price list, unless he shall first file a revised price list to take effect in not less than ten days from date of filing. Price lists on standard lines shall be available to all members manufacturing such lines and the Association shall send copies of such lists filed to the other members manufacturing that line.

(b) If a member objects to any standard-line classification or specification set up by the Divisional Authority, he may protest to said Authority in writing. Each protest shall receive due consideration and the protesting member shall be accorded a hearing if he so desires. Should the Divisional Authority decide that the standard-line classification or specification shall remain unchanged and the protesting member still objects thereto, said member shall have the right of appeal as provided in Article VI of Chapter I.

SEC. 3. Upon application by any member, the Divisional Authority shall consider whether any class of product shall be removed from the special items and put under the standard-line classification. In the event that the Divisional Authority approves the application, procedure shall be as outlined above.

ARTICLE VI

A. TRADE PRACTICES

SECTION 1. Terms of shipment shall be f.o.b. point of manufacture, except, at the discretion of the seller, transportation charges on shipments of 100 pounds and over may be allowed.

SEC. 2. Regular terms of payment for special items shall be a maximum cash discount of 2% ten days, net 30 days. Where a member is regularly supplying a customer, the 2% discount may be extended up to the 25th proximo.

SEC. 3. Orders shall specify a definite quantity. No contracts shall be made guaranteeing prices for a longer period than six months from date of order. Contracts which of necessity must be spread over a longer period of time shall specify "price of any undelivered portion of this contract six months from the date of this contract is subject to change with reference to the then-prevailing market price."

SEC. 4. All quotations and order acknowledgements shall specify that the prices do not include sales taxes and shall be subject to increase to cover any taxes or any other increased costs directly due to present or future legislation, either Federal or State.

SEC. 5. No member of the Division shall sell any products of the Division on consignment.

SEC. 6. No member of the Division shall enter into any contract for furnishing any of his products contingent upon the sale or purchase of any other thing, or the performance of any other service.

SEC. 7. No member of the Division shall furnish without charge samples of products in excess of what are actually required reasonably to serve the intended purpose.

SEC. 8. Violation of any schedule filed with the Association as provided for in this Code, or the violation of any of the provisions of this Code shall be considered an unfair trade practice.

ARTICLE VII

A. ALTERATIONS OR AMENDMENTS

SECTION 1. Any addition, alteration, or amendment of this Code, which has had the approval of the majority of the Divisional Code members in numbers and in volume of hard-rubber products, shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

CHAPTER VI

HEEL AND SOLE DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Heel and Sole Division shall consist of all members of the Industry engaged in the manufacture for sale of rubber heels, soles, soling sheets, strips, taps, sport soles, sport heels, stick-on soles and heels, and rubber heel and sole cement.

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Heel and Sole Divisional Authority consisting of five persons (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A. Such representatives shall be elected by a vote of a majority of the Divisional Code members in number and volume, and shall be composed of representatives of two small-size companies, two large-size companies and one medium-size company.

ARTICLE III

A. MARKETING STANDARDS

SECTION 1. To assist in providing uniform trade practices and preventing discrimination and unfair competition, group customer classification definitions, based on differences in costs and services rendered, shall be adopted by the Division, subject to the approval of the Administrator, for the following classifications, under the title of "Definitions of Buyers of Heels and Soles" and such definitions shall be filed from time to time with the Divisional Authority.

- (a) Shoe manufacturers including wood-heel manufacturers.
- (b) Wholesale merchants including leather and findings distributors and jobbers, wholesale hardware, harness, grocery, novelty, and general merchandise.
- (c) Mail order and/or chain store retail merchants, excluding those engaged in the business of alteration and/or repair of footwear.
- (d) Manufacturers' distributors or sales agents
- (e) Shoe repair shops, individual and multiple.

SEC. 2. If such definitions shall by virtue of their application pursuant to this Chapter, work hardship or any member of the Division or customer, such member or customer may apply to the

Divisional Authority, which shall have power to reclassify such customer as justice may require.

SEC. 3. No member of the Division may market his products through a manufacturer's distributor or sales agent who is not complying with the terms of Articles III and IV of this Chapter.

SEC. 4. Within ten days after the date of approval of this Code, each member of the Division shall publish and file with the Divisional Authority a schedule of its prices and terms of sale for each of the classes of customers referred to in Section 1 of this Article, except manufacturers' distributors and sales agents, on all standard products sold by it. All such price schedules shall be open to inspection at the office of the Divisional Authority. The Divisional Authority shall furnish copies of such schedules to any member of the Division who makes application therefor.

SEC. 5. No member of the Division shall sell any standard product at prices lower or on terms more favorable than the prices and terms in his price schedules and price lists filed, pursuant to Section 4 herein, unless he has first filed revised schedules and lists to take effect in not less than five days from date of filing. The Divisional Authority shall promptly after receipt of such revised schedules and lists notify all members affected. Such affected members may thereupon file with the Divisional Authority revisions of their price lists, which, if filed prior to the date when the revised price list first filed shall go into effect, may become effective on said date.

ARTICLE IV

A. TRADE PRACTICES

SECTION 1. All shipments of goods shall be made and invoices rendered at prices and terms as shown on the member's schedule of prices in effect at the time of sale, and such invoices shall show accurately quantities, grades, types, sizes, colors, gauges, and other features exactly in accordance with the shipment made.

SEC. 2. No member of the Division shall offer or give any special terms, prices, consignments, allowances, secret rebates, either directly or indirectly, or any concessions of any kind or description not shown on the member's published schedule of prices.

SEC. 3. No member of the Division, for itself or through its salesmen or other employees, shall engage in lavish entertainment of customers or their employees, or permit bribes of any kind or description, or engage in gambling or bets of any nature with the intention of losing, or make loans to customers or their employees, or subnormally price any other product manufactured and/or sold by the member, or engage in any other act or practice commonly known as "commercial bribery", for the purpose of selling merchandise or to lower its cost to the purchaser.

SEC. 4. Terms of shipment shall be f.o.b. point of shipment, except at the discretion of the seller, transportation charges on shipments of 100 pounds and over may be allowed. In the event that the means of transportation employed results in a cost in excess of the published freight rates from point of origin to destination, then the

transportation allowance shall not exceed the published freight rate applicable to the tonnage involved in the shipment.

SEC. 5. Violation of any schedule filed with the Divisional Authority as provided in this Code, or the violation of any of the provisions of this Code shall be considered an unfair trade practice, and subject to the penalties of the Act.

ARTICLE V

A. ALTERATIONS OR AMENDMENTS

SECTION 1. Any addition, alteration, or amendment of this Code which has the approval by concurrent vote, of a majority in number and in volume of the Divisional Code members shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

CHAPTER VII

MECHANICAL RUBBER GOODS DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Mechanical Rubber Goods Division shall consist of all members of the Industry engaged in the manufacture for sale of all types of belting other than leather and balata, hose of all types, rubber cord and thread; jar rings, rubber friction tape, rubber splicing compound, rubber mats and matting, rubber tubing; all types of mechanical rubber molded and lathe-cut and extruded goods, rubber packing of all types; rubber-covered rollers and rubber rolls, and such other articles as are generally considered as Mechanical Rubber Goods.

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Mechanical Goods Divisional Code Authority consisting of three persons (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A. Such representatives shall be elected by a majority in number and volume of the Divisional Code members.

ARTICLE III

A. MARKETING STANDARDS

SECTION 1. To assist in providing uniform trade practices and preventing discrimination and unfair competition, group customer classifications, definitions, based upon differences in costs and services rendered, may be adopted by the Division, subject to the approval of the Administrator, for the following classifications under the title of "Definitions of Buyers of Mechanical Rubber Goods" and such definitions shall be filed from time to time with the Association.

Classification of Buyers of Mechanical Rubber Goods:

Jobbers and Mill Supply Houses

Distributors

Dealers

Mail Order—Chain Stores

Department Stores

Syndicate Buyers

Equipment Manufacturers

Industrials

Government:

Federal

State

County

Municipal

Consumers

If such definitions shall by virtue of their application, pursuant to this Chapter, work hardship on any member of the Division or customer, such member or customer may apply to the Divisional Authority, which shall have power to reclassify such customer as justice may require.

SEC. 2. Each member of the Division shall establish a price schedule for standard goods, as recognized by the Division, properly applicable to each classification and price lists for goods made to recognized standard specifications. Having established such price schedules and price lists, which may be revised from time to time, they shall be filed with the Association on or before the date specified by the Divisional Authority.

SEC. 3. If any member of the Division wishes to make a sale of merchandise classed as overstock or obsolete material, or below value for any cause at less than the minimum price as determined by the Cost Recovery Formulae in Chapter I, Article VII, such member shall apply to the Divisional Authority for its sanction to so dispose of such products. Such request shall be in the form of a written application stating the reason therefor, together with such data as will support such request, and such member shall furnish such additional information, at its own expense, as the Divisional Authority may require. The Divisional Authority, following such procedure as it shall establish, shall consider such application, and if on investigation it shall find that any such proposed sale at less than the minimum price so determined may constitute unfair competition, it may disapprove the same. If the Divisional Authority does not notify such member of its decision within ten (10) days after receipt of application, such member may appeal to the Administrator.

ARTICLE IV

A. SELLING SCHEDULES

SECTION. 1. No member of the Division shall initiate a price not in accordance with Chapter I, Article VII. No member shall sell any standard goods or goods made under recognized standard specifications at prices lower or on terms more favorable than the prices and terms in his price schedules and price lists filed pursuant to

Article III of this Chapter, unless he has first filed revised schedules and lists to take effect in not less than 10 days from date of filing. The Association shall promptly after receipt of such revised schedules and lists notify all members affected. Such affected members may thereupon file with the Association, if they so desire, revisions of their price lists which, if filed prior to the date when the revised price lists first filed shall go into effect, may become effective on said date.

Sec. 2. On goods made to customers' specifications the minimum selling price of any member of the Division shall be the cost of the most efficient member of the Division, i.e., that representative member of the Division whose cost is lowest. Each member of the Division shall compute his own individual costs on such goods, according to the methods of cost determination and the cost accounting formulæ adopted by the Association and this Division pursuant to Section 1 of Article VII of Chapter I of this Code and report the same to the Association. The Association shall ascertain the costs of the most efficient member of the Division and publish such figures to the Division. Such lowest cost finding shall be revised from time to time at reasonable intervals. Nothing herein contained shall be construed to permit any member of the Division to initiate a price which will result in the customer paying less than the member's own individual cost, as provided in Section 2 of Article VII of Chapter I.

ARTICLE V

A. TRADE PRACTICES

SECTION 1. Uniform terms of sale shall be established by the Divisional Authority, subject to the approval of the Administrator, which may include freight paid or allowed to customer. In no case shall the freight allowed by any member to any customer be more than the published freight rate by the route used from the member's factory to the destination.

Sec. 2. No member of the Division shall offer or give any discounts other than those specified in such member's price schedules or price lists, on file with the Association. After January 1, 1934, no member of the Division shall offer or give any rebates or bonuses, to any classification of buyers.

Sec. 3. No guaranty or warranty shall be made in connection with any product sold, other than the standard guaranty of the Association, which is: "This merchandise is warranted to be free from defects of workmanship and material. The seller's liability hereunder is limited to the purchase price of merchandise which has failed through defect or, at the seller's option, to the replacing of such merchandise upon its return by the buyer with other merchandise of the quality warranted and with due allowance made for the service rendered by the merchandise returned."

Sec. 4. No guaranty against decline of price on contracts or orders shall be made to anyone—excepting, however, such items of seasonal character as may be specified by the Divisional Authority, subject to the approval of the Administrator. Any such guaranty shall apply only to the unshipped portion of any contract or order.

SEC. 5. No member of the Division shall enter into any contract for furnishing any of his products contingent upon the sale or purchase of any other thing, the performance of any other service, or any other contingency not appearing in the contract or complying with this Code.

SEC. 6. No member of the Division shall furnish without charge samples of products in excess of what are actually required reasonably to serve the intended purpose.

SEC. 7. No member of the Division shall permit or extend exclusive missionary sales help to any one distributor of its product for a period in excess of 90 days in any one year.

SEC. 8. No member of the Division shall either post-date or pre-date any invoice for his product for the purpose of achieving an unfair competitive advantage.

SEC. 9. Violation of any schedule filed with the Association as provided in this Code, or the violation of any of the provisions of this Code shall be considered an unfair trade practice and subject to the penalties of the Act.

ARTICLE VI

A. GENERAL

SECTION 1. The Divisional Authority shall make such studies of the productive capacity of the Division as may be desirable from time to time and make recommendations as to its findings to the Administrator.

ARTICLE VII

A. ALTERATIONS OR AMENDMENTS

SECTION 1. Any addition, alteration, or amendment of this Code which has had the approval of the majority of the Divisional Code members in number and in volume, shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

CHAPTER VIII

SPONGE RUBBER DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Sponge Rubber Division shall consist of all members of the Industry engaged in the manufacture for sale of any type of sponge rubber products.

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Sponge Rubber Divisional Code Authority consisting of three persons (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A. Such representatives shall be elected by a majority in number and volume of the Divisional Code members.

ARTICLE III

A. TRADE PRACTICES

SECTION 1. No member of the Division shall depart from the following standard terms of sale:

(a) The maximum cash discount of 2%, 10 days—net 30 days except that where a member of the Division is regularly supplying a customer the 2% discount may be extended up to the 25th proximo.

(b) Freight may be paid or allowed to customer, but in no case shall the freight allowed by any member of the Division exceed the published freight rate via the route used from the member's factory to destination.

All quotations and order acknowledgments shall specify that the prices do not include sales taxes and shall be subject to increase to cover any taxes or any other increased costs directly due to the enactment of present or future legislation, either Federal or State.

SEC. 2. No member shall either postdate or predate invoices for his product for the purpose of achieving an unfair competitive advantage.

SEC. 3. No member of the Division shall dispose of any "seconds" or obsolete merchandise without first reporting to the Divisional Authority the approximate quantity, class of goods, the reason for disposing of them in other than regular channels, or at other than regular prices.

SEC. 4. No member of the Division shall let out the manufacture of any products to noneworkers.

SEC. 5. No guaranty or warranty shall be made in connection with any product sold other than the standard guaranty of the Association, which is: "This merchandise is warranted to be free from defect of workmanship and materials. The seller's liability hereunder is limited to the purchase price of merchandise which has failed through defect or, at the seller's option, to the replacing of such merchandise upon its return by the buyer with other merchandise of the quality warranted and with due allowance made for the service rendered by the merchandise returned."

SEC. 6. No member of the Division shall ship any merchandise under any conditions on consignment to any classification of account.

SEC. 7. No member of the Division shall furnish without charge samples of products in excess of what are actually required reasonably to serve the intended purpose.

SEC. 8. No member of the Division shall enter into any contract for furnishing any of his products contingent upon the sale or purchase of any other thing, the performance of any other service, or any other contingency not appearing in the contract or complying with this Code.

SEC. 9. No member of the Division shall furnish an advertising allowance of any kind.

SEC. 10. The violation of any provisions of this Code shall be considered an unfair trade practice and shall be subject to the penalties of the Act.

ARTICLE IV

A. ALTERATIONS AND AMENDMENTS

SECTION 1. Any addition, alteration, or amendment of this Code which has had the approval of the majority of the Divisional Code members in numbers and volume shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

CHAPTER IX

RUBBER SUNDRIES DIVISION

ARTICLE I

A. DEFINITION

SECTION 1. The Rubber Sundries Division shall consist of all members of the Industry engaged in the manufacture for sale of rubber sundries, including druggists', hospital, and medical rubber goods except hospital sheeting, stationers' rubber goods, rubber bathing apparel, rubber gloves, and other miscellaneous articles made of rubber, except as may be specifically covered by another duly approved Code of Fair Competition.

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Rubber Sundries Divisional Code Authority (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A.

SEC. 2. The Divisional Code Authority shall consist of the chairmen of the several Subdivisions herein established, and the chairman of the Divisional Authority, all to be elected as hereinafter described.

(a) The chairman of the Divisional Code Authority, and his alternate, shall be elected by a majority vote (each Divisional Code member having one vote) at a regular meeting of the Rubber Sundries Division. The chairman, or his alternate, shall represent the Sundries Division on the Rubber Code Authority, subject to the qualifications contained in Chapter I, Article III.

(b) A chairman shall be elected for each of the following Subdivisions, consisting of members engaged in producing the class of merchandise, indicated by the title.

Stationers' Rubber Goods; Rubber Gloves; Druggists', Hospital, and Medical Rubber Goods; Rubber Bathing Apparel.

(c) Each Subdivision shall elect a chairman by a majority vote (each Divisional Code member shall have a single vote in each Subdivision of which it is a member) who shall represent the Subdivision as a member of the Divisional Authority.

(d) One alternate shall be elected by each Subdivision to represent the chairman of that Subdivision in his absence. No alternate shall, however, be affiliated with any member of the Division already represented on the Divisional Authority.

(e) Any additional Subdivisions may be established at the discretion of the Divisional Authority. Such additional groups, when and if established, shall elect a chairman and an alternate as prescribed under paragraphs (c) and (d) of this Section, who shall represent such additional groups on the Divisional Authority.

(f) The Divisional Authority shall set up a Committee on Imports consisting of three members whose duty it shall be to investigate and inform the President as to the importation of competitive articles into the United States in substantial quantities or increasing ratio to domestic production, on such terms or under such conditions as to render ineffective, or to seriously endanger the maintenance of this Code as provided in Section 3 (e) of the Act. The Committee shall make such reports of its findings to the Divisional Authority which shall inform the President through the proper channels.

ARTICLE III

A. COSTS AND PRICES

SECTION 1. Within ten days after the date of approval of this Code, each member of the Stationers' Rubber Goods Subdivision of the Division shall publish and file with the Association complete schedules of its prices, discounts, and terms of sale. All such schedules shall be open to inspection at the office of the Association. The Association shall furnish copies of such schedules to all members of the aforesaid Subdivision.

SEC. 2. No member of the Stationers' Rubber Goods Subdivision shall sell any product thereof at prices or discounts lower or on terms more favorable than the prices, discounts, and terms in his price schedules and price lists filed with the Association in accordance with Section 1 of this Article, unless he has first filed revised schedules and lists to take effect in not less than ten (10) days from date of filing. Promptly after receipt of such revised schedules and lists the Association shall notify all members of the aforesaid Subdivision who may thereupon file with the Association revisions of their prices, discounts, and terms, which, if filed prior to the date when the revised price schedules and price lists first filed shall go into effect, may become effective on said date.

ARTICLE IV

A. TRADE PRACTICES

SECTION 1. No member of the Division shall depart from the following standard terms of sale:

(a) Maximum cash discount 2%, 10th proximo, except west of Denver, Colorado, where terms may be 2%, 10th, second proximo, to accounts to which shipments shall be made from shipping points east of the Mississippi River. Provided, however, that seasonal items may be sold on longer terms when sanctioned by the Divisional Authority. If the Divisional Authority does not notify the member of the Division who applies for longer terms, of its decision within ten

(10) days from the date of application, such member may appeal to the Administrator.

(b) Where freight may be paid or allowed to customer, in no case shall such payment or allowance exceed the charge for the tonnage involved at the published freight rate by the route used from the member's factory to destination.

SEC. 2. Rebates, discounts, or bonuses shall not be given or extended to any customer unless they are available to all customers of the same class on equal terms.

SEC. 3. No merchandise shall be shipped on consignment, guaranteed sale, or terms other than those established under Section 1 of this Article.

SEC. 4. No member of the Division shall let out any manufacturing to home workers.

SEC. 5. No member of the Division shall furnish salesmen or demonstrators for sales work other than for his own sales to his own customers.

SEC. 6. No member of the Division shall either post-date or pre-date invoices for his product for the purpose of achieving an unfair competitive advantage.

SEC. 7. No member shall furnish an advertising allowance of any kind.

SEC. 8. No member of the Industry shall usurp a design, style, or pattern originated by another member of the Industry and/or appropriate them for his own or customer's use during the twelve months following its introduction.

SEC. 9. The violation of any of the provisions of this Code shall be considered an unfair trade practice and shall be subject to the penalties of the Act.

ARTICLE V

A. ALTERATIONS OR AMENDMENTS

SECTION 1. Any addition, alteration, or amendment of this Code which has had the approval of the majority of the Divisional Code members in numbers shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

CHAPTER X

RAINWEAR DIVISION

ARTICLE I

A. DEFINITIONS

SECTION 1. The Rainwear Division shall consist of all members of the Industry engaged in the manufacture for sale of garments made from rubberized or waterproof fabrics, commonly called rainwear, excluding oiled cotton garments. The manufacture of the rubberized or waterproofed fabrics themselves is specifically included under Chapter II of this Code.

SEC. 2. The term "manufacturing employee" as used herein includes all employees engaged in the cutting, machine operating, cementing, buttonhole-making and button-sewing operations in any factory in the Division.

SEC. 3. The term "nonmanufacturing employee" as used herein includes all employees engaged in brushing or cleaning away the threads from finished garments and folding them or in any other miscellaneous nonmanufacturing process in any factory in the Division.

ARTICLE II

A. ADMINISTRATION

SECTION 1. A Rainwear Divisional Code Authority consisting of seven persons (herein referred to as the Divisional Authority) is hereby set up for the administration of this Code in accordance with Chapter I, Article III-A.

SEC. 2. The Divisional Authority shall consist of two representatives selected from the Midwestern members of the Division, two from New England, two from New York, together with one representative from the Vulcanized Rainwear Subdivision. Such members shall be elected by a majority of the members of the Division in each of the three geographical areas specified, together with the member so elected by the Vulcanized Rainwear Subdivision.

SEC. 3. Five members of the Divisional Authority shall constitute a quorum and a majority of a quorum must be had before any decision on any matter may be determined.

ARTICLE III

Notwithstanding the provisions of Article V, Chapter I, of this Code, the following shall be the provisions as to hours and wages for the Rainwear Division.

A. HOURS

SECTION 1. Except as herein below provided, no employee shall work or be permitted to work in excess of 40 hours in any one week, nor more than 8 hours in any 24-hour period. Such work shall take place in five days of the week, exclusive of Saturday and Sunday, subject to the right of the Divisional Authority, under special circumstances, to permit any or all members of the Division an exception from this particular restriction. Overtime shall be expressly prohibited.

SEC. 2. Maintenance crews, engineers, firemen, electricians, shipping crews, watchmen, and elevator operators shall not work or be permitted to work more than 45 hours in any one week. Provided, however, that this limitation of hours shall not apply in cases of emergency, but in such cases all hours worked in excess of 45 hours in any one week, shall be paid for at the rate of time and one third.

SEC. 3. Accounting, clerical, office, service, or sales employees (excepting outside salesmen) shall not work or be permitted to work in excess of an average of 40 hours a week over the period of a month, nor more than 48 hours in any one week.

SEC. 4. The maximum hours fixed in Sections 1, 2, and 3 shall not apply to salaried employees in any managerial, executive, clerical, supervisory, or technical capacity, receiving more than \$35.00 per week, nor to any outside salesmen.

SEC. 5. No employee shall work or be permitted to work for a total number of hours in excess of the number of hours prescribed for each week and day, whether employed by one or more employers; provided, however, that if any employee works for more than one employer for a total number of hours in excess of such maximum without the knowledge or connivance of any one of his employers, such employer shall not be deemed to have violated this section.

SEC. 6. No employee shall be classified in any of the foregoing excepted classes unless he performs functions identical with those performed by employees thus classified on June 16, 1933.

SEC. 7. Immediately after the effective date of this Code, the Divisional Authority shall begin an investigation to determine whether or not the 40 hour week provision of this Article will result in increased employment within the purpose and policy of the Act. The Divisional Authority, not later than 90 days after the effective date of this Code, shall report its findings to the Administrator so that the Administrator may determine whether or not the provisions of this Article as to maximum hours should be changed.

B. WAGES

SECTION. 1. Except as herein below provided no employee (other than apprentices) shall be paid in any pay period, less than at the rate of

For nonmanufacturing employees, \$0.35 per hour.

For manufacturing employees, \$0.40 per hour.

SEC. 2. No apprentice or learner shall be paid in any pay period less than at the rate of twenty-eight cents (\$0.28) per hour. Provided, however, that such apprentices or learners, where piece-work

is used, shall be paid at the piece-work rates paid to experienced workers, but in no case less than the above minimum. Such apprentices shall be understood as persons who have worked or been employed in the Rainwear Industry for less than six weeks. Such apprentices shall not constitute more than five (5) percent of the manufacturing and nonmanufacturing employees in any one establishment.

SEC. 3. No salaried employee (except outside salesmen, office girls and boys, and clerical apprentices) shall be paid less than at the rate of—

\$15.00 per week—Cities over 500,000 population or in the immediate trade area of such a city.

\$14.50 per week—Cities between 250,000 and 500,000 population or in the immediate trade area of such a city.

\$14.00 per week—Cities between 2,500 and under 250,000 population or in the immediate trade area of such a city.

\$12.00 per week—Towns of less than 2,500 population.

(a) Clerical apprentices during a six months' apprenticeship and office girls and boys may be paid not less than 80% of the above minimums. Such excepted office employees shall not exceed five (5) percent of the total number of employees covered by this Section in the employ of any member of the Division.

SEC. 4. Female employees performing the same work as male employees in manufacturing operations shall receive the same rates of pay as male employees.

SEC. 5. This Article establishes minimum rates of pay which shall apply whether an employee is actually compensated on a time rate, piecework, or other basis.

SEC. 6. The existing amounts by which hourly earnings in the higher paid classes exceeded the minimum rates herein specified, as of July 1, 1933, shall be maintained.

SEC. 7. Equitable adjustments in all pay schedules of factory employees above the minimum shall be made within thirty (30) days after the approval of this Code, by any members of the Industry who have not heretofore made such adjustments, and the first monthly reports of wages required to be filed under this Code shall contain all wage increases made since May 1, 1933.

C. POSTING LABOR PROVISIONS

SECTION 1. Every member of the Division shall prominently post in the work rooms of his establishment or establishments copies of Articles I, III, and IV of this Chapter together with copies of Article IV of Chapter I.

ARTICLE IV

A. LIMITATION AS TO PLANT OPERATION

SECTION 1. No member of the Division shall operate his establishment or establishments in excess of 40 hours per week; provided, however, that if the application of this Section should work a hardship on any member of the Division, such member may appeal to the Divisional Authority or the Administrator for such relief as justice may require.

B. USE OF CONTRACTORS

SECTION 1. All members of the Division who let out or cause their garments to be made by contractors shall file the names and addresses of all such contractors as are actually required, with the Divisional Authority within thirty days after approval of this Code. Such lists shall be revised from time to time. Members shall confine their work to such contractors as may be so listed. Members shall not let out or cause their garments to be made by contractors unless such contractors agree to conform to the provisions of this Code as to hours and wages in the course of the performance of such contracts. Members shall pay such contractors not less than an amount sufficient to enable such contractors thus to conform to the provisions of this Code as to hours and wages, together with an allowance for the contractor's overhead.

C. PERFORMANCE OF FACTORY OPERATIONS BY MEMBERS

SECTION 1. Any employer of the Division who directly or indirectly works in his own factory in the capacity of a manufacturing employee shall comply with the provisions of Article III-A of this Chapter.

D. HOMEWORK

SECTION 1. No member of the Division shall permit or allow the processing or manufacturing of any of his products except within his own plant or plants and/or the plants of registered contractors, as provided in Article IV-B. In particular, but without limitation, it is hereby provided that no part of such processing or manufacturing shall be done in the homes of any employees.

E. UNSAFE PREMISES

SECTION 1. No member of the Division shall cause or permit any work to be done in tenement houses, basements, or any unsanitary building or in buildings unsafe on account of fire risks.

F. USE OF LABELS

SECTION 1. The Divisional Authority may, within 60 days after the approval of this Code, make recommendations to the Administrator regarding the use of any N.R.A. insignia solely by those members of the Industry who have assented to and are complying with this Code.

ARTICLE V

A. COSTS AND SELLING PRICES

SECTION 1. Each member of the Division shall compute his own individual costs for standard lines on the basis of the cost-accounting system provided in Article VII of Chapter I and report the same to the Association. From these reports, the Divisional Authority shall ascertain the cost of the most efficient member of the Division—

i.e., that representative member of the Division whose cost is lowest—and publish such findings to the members of the Division. Such findings shall be revised from time to time at reasonable intervals. Thereafter no member of the Division shall sell any standard line of product below such cost. No member shall initiate a selling price on any special line which shall be below his own individual cost of production as provided in Article VII of Chapter I.

ARTICLE VI

A. TRADE PRACTICES

SECTION 1. No member of the Division shall offer a cash discount which exceeds 8% 10 days, E.O.M. No other discounts whatsoever nor any rebates shall be given to any buyers, buying offices, or other customers. Goods shipped after the 25th of the month may be billed as of the first of the following month. These terms shall not apply to Vulcanized Clothing.

SEC. 2. No member shall depart from the following standard terms of sale for Vulcanized Clothing:

(a) Terms to Jobbers: 3% 10 days; 2% 70 days; net 71 days; no post-dating.

(b) Terms to Retailers: Not more than 8% 10 days, E.O.M.; net thereafter.

(c) If payments are not made on or before the net due date, there shall be a charge for interest at the legal rate.

(d) No prepayment or allowance of freight shall be made, except on shipments of 100 pounds or more.

(e) No parcel-post or express charges shall be allowed in excess of freight allowance applicable to such shipment if shipped by freight.

SEC. 3. No member of the Division shall ship merchandise on memorandum or on consignment.

SEC. 4. The following shall be the standard sizes in the Rainwear Division:

Infants, 2 to 6.

Girls, 6 to 16.

Boys, 6 to 16.

Boys (vulcanized), 4 to 18.

Misses, 14 to 20.

Ladies, 34 to 44.

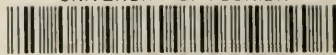
Men's, 34 to 46.

Where Boys sizes 18 to 20 (excluding 18 on vulcanized clothing), Ladies' sizes 46 to 52, Men's sizes 48 to 52 are ordered, the selling price shall truly reflect the increased cost.

SEC. 5. No merchandise purchased and shipped in good faith and in accordance with the buyer's specifications shall be permitted to be returned for credit by any purchaser after five (5) days from its receipt by the purchaser.

SEC. 6. No order shall be accepted without stipulating the sale price, terms, and date of shipment. No sale shall be made by any member on any other terms except those expressly set forth in the order, contract of sale, or the invoice pertaining to such sale.

SEC. 7. No member of the Division shall make any allowance or discounts for advertising or for payment for space in newspapers,



magazines, guides, or directories on behalf of any retailer to be used in promoting the sale of merchandise by such retailer to the consumer. The supplying of cuts, matrices, and window cards shall, however, not be included in such prohibition.

Sec. 8. The pirating of styles and designs shall be prohibited.

Sec. 9. Any violation of any of the provisions of this Code shall be an unfair trade practice and subject to the penalties of the Act.

ARTICLE VII

A. ALTERATIONS AND AMENDMENTS

SECTION 1. Any addition, alteration, or amendment of this Code which has had the approval of a majority of the Divisional Code members in number and in volume shall be presented to the Code Authority in accordance with Chapter I, Article III-A, Section 2.

Approved Code No. 156.

Registry No. 899--04.

